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SINGLE TAX

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The single tax is a proposal to exempt all vocations, all land improvements and personal property from taxation for revenue, and to collect all taxes for public revenue from the assessed value or the yearly ground rental value of land. The word "land" is used in its broad sense as meaning the earth. The single-taxers expect that the people will finally take all the yearly ground rental values of land for public purposes.

The system has proved very popular as far as it has been tried, and the more fully it is tried the more popular it becomes. In nearly all of the American states there are constitutional provisions that prevent state or local application of the single tax, though the officers can apply it in very large measure if they wish to do so, so far as exemptions are concerned. Mr. J. J. Pastoriza, assessor of Houston, Texas, assesses land at about 75 per cent of its market value, and improvements and personal property at so small a percentage that it amounts practically to an exemption. No one has interfered effectively yet, chiefly because he has assured the land owners and speculators that if they try to make trouble for him he will enforce the law rigorously in the assessment of personal property of every kind, as well as improvements.

Mr. Reed, the assessor in Multnomah County, Oregon, which includes Portland, assesses land at 75 per cent of its market value; buildings in towns at about 50 per cent of their present value, allowing liberally for depreciation; personal property, notes, accounts, bank stocks, etc., he assesses at 50 per cent or less, and the business men think it is fine; he assesses uncultivated land and land in actual cultivation, of equal fertility and location, at the same rate per acre that he assesses farms, and the farmers think that is fine. Mortgages he does not assess. The board of equalization backs him in this. But every effort to make a law requiring all assessors in Oregon to show as good judgment as Mr. Reed does is bitterly fought on the ground that it is "single tax," "confiscation," "Henry Georgeism," and everything else that is bad.

The purpose of the single tax is much more than a mere fiscal reform in the method of raising public revenues. When fully applied, it will abolish land speculation and involuntary unemployment. Full application of the single tax will give to land users all the profit and product of their labor in using the land, and will necessarily make it impossible for any person to gain a profit by merely owning land without himself using it. This will not reduce or interfere with the rent or income an owner may get for the use of land improvements.

Every exemption from taxes of any class or portion of personal property, or of land improvements, is a step towards the single tax. Every increase of tax on land values that is not equally applied to personal property and land improvements is a step towards the single tax.

The Canadian province of Alberta has probably advanced further towards the single tax than any other government. The latest reports are that no taxes are levied or collected on business, on land improvements, or on personal property, except some small taxes in the city of Edmonton. In addition to this exemption, the province has now provided for levying a sur-tax of 10 mills on the dollar on the assessed value of uncultivated land. This amounts to about $6\frac{1}{4}$ cents per acre, and the province expects to get \$1,500,000 annually from this source. So many of the land speculators in the city of Edmonton are said to be discouraged that more than \$1,000,000 of their taxes are delinquent and unpaid. The necessary result will be that this land will be sold for taxes to people who will use it. If so much as \$1,000,000 of speculators' taxes are unpaid, it is an indication that some parts of Alberta have raised the single tax high enough to seriously discourage land speculation and speculators. They certainly have greatly encouraged land improvements, and are bringing many new settlers to Alberta. This is true in a less degree of British Columbia and Saskatchewan, because they have not so fully applied the single tax to land values.

In California and Oregon a certain class of municipalities called irrigation districts may levy all their local district taxes on the value of land, exempting improvements and personal property.

Montevideo, in Uruguay, has also taken a long step towards the single tax by levying on land values a special tax of 10 mills that does not apply to personal property and improvements.

Pittsburgh, Pennsylvania, is probably further advanced towards the practical application of single tax for local purposes than any other city in the United States, because the last legislature allowed that city to gradually exempt buildings from taxes, and the further fact that manufacturing machinery has been exempt from taxes in that state for many years.

In the three Pacific coast states there is constant agitation for the single tax, or measures leading to it. In 1912 California rejected a municipal home rule tax measure by a large majority. A better measure was submitted by the next legislature, which was rejected at the recent election, but by a much smaller majority. All the opposition was on the ground that home rule would lead to single tax.

In Washington there has been no state-wide vote, but the cities of Seattle and Everett have each voted twice on municipal exemption proposals. At the last election in Everett the measure was adopted, but the officers refused to enforce it.

Pueblo, Colorado, voted for a city exemption measure last spring, but the officers refused to apply the law.

In 1912 Missouri rejected a single tax measure by an overwhelming majority. In 1914 the anti-single-taxers submitted a measure to make single tax impossible in Missouri, and this was rejected by a very large majority.

The issue has been before the people of Oregon four times. The first was in 1908, on a measure to exempt household furniture, manufacturing machinery and some other labor values in actual use. This measure was rejected by a vote of about two to one in a total vote of 90,000 on the measure. In 1910, backed by the Fels Fund Commission, the single-taxers submitted an amendment for county home rule in taxation, which was adopted by about 2,000 majority, in a total vote of less than 90,000 on the measure. In 1912, again financed by the Fels Fund Commission, a graduated single tax measure was offered and rejected by a vote of eight to three, in a total vote of 112,000 on the question. The county home rule amendment, adopted in 1910, was repealed in 1912. At the same time the people approved a bill exempting all household furniture and jewelry in actual use. In this campaign the opposition spent a large amount of money, probably in the neighborhood of \$100,000, directly and indirectly. The single-taxers spent about \$40,000, contributed

by the Fels Fund. In 1914 some of the single-taxers submitted a measure by initiative petition exempting every person from taxes on \$1,500 of the total assessed value of his dwelling house, live-stock and other land improvements and labor values. It did not exempt corporations. This measure was rejected by a vote of two to one in a total vote of 202,000 voting on the measure. The total cost of the campaign for this measure was about \$800. The opposition spent at least twenty times that much. One of its leagues filed a report showing expenses of nearly \$9,000.

In these four campaigns the whole opposition to the measures was on the ground that they were single tax, or the opening wedges for single tax. This line of approach to single tax was adopted because of its success in New Zealand and the western provinces of Canada in obtaining partial or complete exemption of labor values from taxation. But in those countries, it seems to have been accepted on its merits chiefly as a fiscal reform. In Missouri and our coast states its opponents said it would lead to confiscation of the farmers' lands. They made no distinction between land and land values, and convinced a large majority of the farmers that they would lose their farms if any measure tending towards single tax should be adopted.

The single tax is a simple and certain method of collecting taxes fairly. The land cannot be hidden, and its value is either well known by every citizen of the neighborhood, or can very easily be learned. There is no inquisition into the private affairs of citizens, and no temptation to false swearing or tax dodging.

But the strongest reasons for the single tax are moral rather than fiscal. Ground rent is the surest and safest method yet invented by which one person gets the product of another's labor and gives nothing in return. This is a moral wrong. The community creates the ground rent values, and if the man who uses the land pays the ground rent to the public treasury as a tax, he will be paying the party who creates the value. That would save the producer or land user from the double tax, one to support the ground owner for being permitted to use the land, and the other on everything he owns and uses, which is to support the government.

The revival of single tax agitation in the United States dates from the organization of the Fels Fund Commission in 1908. The late Joseph Fels financed it chiefly, putting in about \$2 for every

one that was paid by all other advocates. This fund made possible the active campaigns on the Pacific coast, and helped greatly in Missouri. The land agitation in England, the British Colonies and other foreign countries is largely due to his enthusiasm and financial aid. Mrs. Fels is continuing the work so well begun by her husband.

The adoption of the single tax is very greatly retarded because history shows that taxation heretofore has always been a burden, and often the chief instrument of oppression. Added to this is the opinion held by nearly all Americans, who are not themselves tax dodgers, that exemption of any property from taxes is a sort of legalized tax dodging, not much less than criminal. The two opinions taken together make it very difficult to get a fair hearing for the theory that economic freedom can be had by taxing one kind of values exclusively, and that it is entirely just to completely exempt all other values from contributing to the public expenses. No greater service to the single tax and the cause of economic freedom and the abolition of poverty could be rendered by anyone, than the offering of a measure which would avoid these two objections, and would appeal, instantly and of itself, to the sense of justice and to the land and home hunger of every normal man and woman.

Villa has accomplished this in Mexico with his war-cry of "The land for the Peons," and it is fine. They flock to his banner and fight and die for the cause. But Villa does not have to reckon with the American constitutions and courts. For the same reason, the general progress of the movement has been very much more rapid in England and the British Colonies than in the United States. The law-making power of the British people is not ham-strung by a written constitution. When the Parliament makes a law, the courts have no power to declare it null and void. Therefore, the British cry of "The land for the people" creates an enthusiasm which cannot be aroused for a mere fiscal matter like the single tax proposals Americans are obliged to offer.

Our single tax progress on the west coast is really much greater than our one-third vote seems to indicate. At least one-half of the remaining two-thirds of the voters can think of the single tax now without shying. They are opposed to it, but most of them will now listen to a single-taxer without thinking of him as a traitor to American institutions. I believe when the next campaign is made in Oregon, it will be for the straight out single tax measure.

not only proposing raising of public revenues from a tax on land in proportion to its value, but ultimately to tax all the yearly ground rental values into the public treasuries. But of course all personal property and land improvements will be exempted by such a measure.

There may be two more campaigns on that line without gaining much on the present percentage of the total vote, but we shall be gaining ground, nevertheless. Sometime from the third campaign to the fifth, that is, between six and ten years, our single tax measure will go with a rush, just as the prohibition and equal suffrage measures were adopted. There will be no backward step after that, and it will not be long before the people will find public use for all the yearly ground rent values in Oregon.

The thought is in the air, and it is a matter of only a few years, until somewhere in the United States the single tax is put fully in operation. It makes little difference where that is done, because commercial competition will then force its very speedy adoption by all other sections of the country. The commercial competition of Alberta and the western Canadian provinces is helping to spread the idea in the coast states. Within ten years the general property tax will be ancient history on the Pacific coast.